

Pricing Events – January 2008

March 6, 2008
MPWG



Agenda

1. Overview
2. Detail Discussion
 - High-price hours
 - Low-price hours
 - Negative MCP
 - MCP Volatility
 - Operating reserve activations
 - Emergency control actions
 - Market demand response programs
 - Administered Pricing
3. Wrap Up

- January Summary
 - Average Hourly Market Demand: 21,010 MW
 - Average Hourly Ontario Demand: 18,293 MW
 - Average HOEP: \$40.74
- Highlights
 - Record hourly exports of 4,774 MWh January 4, 2008 (previous highest 3,438 MWh December 18, 2007)
 - Record monthly exports of 2,021 GWh (previous 1,306 GWh December 2007)
 - Record hourly net exports of 3,410 MWh January 26, 2008 (previous highest 3,102 MWh July 15, 2007)
 - Lowest January Arithmetic and Weighted average HOEP of 40.74 and 42.46 respectively (previous lowest January 2007 of 44.48 and 46.24 respectively)
 - Record hourly wind output of 431 MW January 18, 2008 and record monthly wind output of 150 GWh

Hours in which HOEP > \$200

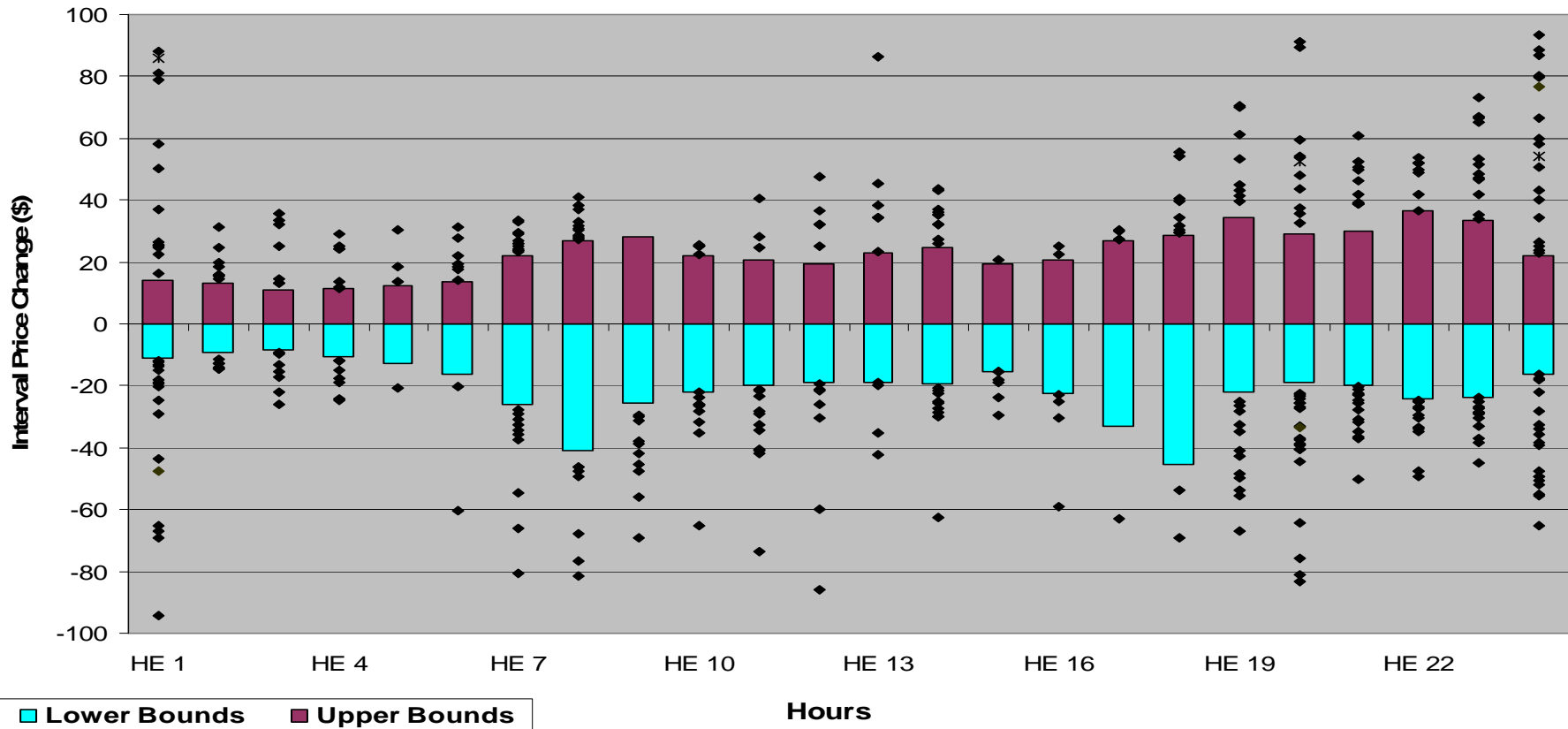
- There were no hours in January in which the HOEP was above \$200

- There were 59 hours in January where the HOEP was below \$20
 - There was 1 peak hour where the HOEP was below \$20
 - The lowest HOEP was \$2.54 and the average of these 59 HOEP values was \$9.48

- There was no negative MCP for January 2008

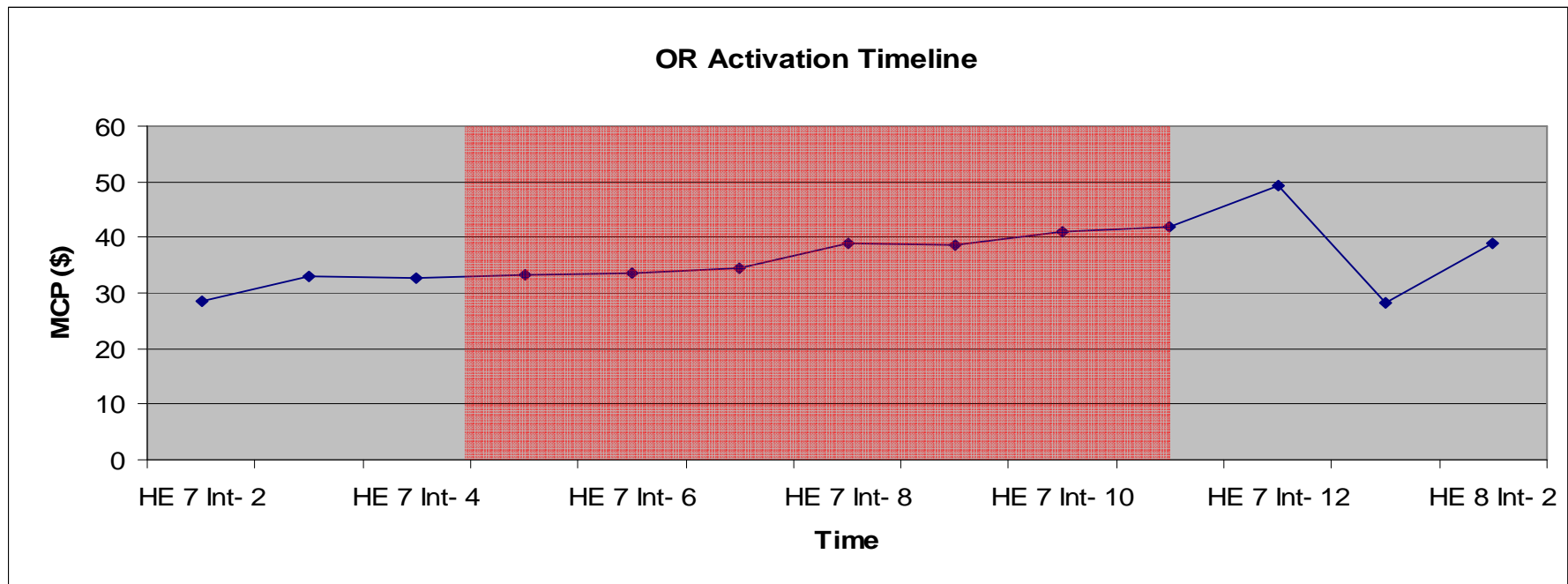
- The following slides show MCP volatilities as measured by interval to interval price changes
- Hourly upper and lower bounds based on historic values were applied to current data to flag significant interval to interval fluctuations
- The bounds, which represent 95% of historic interval to interval changes, were created based on the past 4 years of January MCP data
- The number of significant interval to interval price fluctuations for January 2008 are represented by those points that lie outside these bounds

January Bounds



- In January 2008 there were 403 interval to interval changes that fell outside the bounds of the benchmark
- This represented 4.55% of the total number of interval to interval changes for the month, indicating this month experienced volatility consistent with recent values
 - September 2007 –3.10%
 - October 2007 –4.89%
 - November 2007 –2.30%
 - December 2007 –1.97%

- 44 hours with OR activations
- Largest Reserve activation occurred on January 17 at 7:23
 - 800 MW of OR were activated
 - Resulting from imports being cut for security reasons
 - OR was activated for 31 minutes



- There were no Emergency Control Actions reported for January

- There were no IESO Demand Response Programs activated in January

- In January there were 4 events where Administered Pricing was required
 - tool problem accounted for 15 intervals
 - inaccurate input of data accounted for 1 interval

- There were no hours in January where the HOEP was above \$200
- There were 59 hours in January where HOEP was less than \$20
- There were 44 OR activations in January